

Bill No. SB 1544



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CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: WD	.	
3/19/2008	.	
	.	
	.	

1 The Committee on Environmental Preservation and Conservation
 2 (Dockery) recommended the following **amendment to amendment**
 3 **(223658)** :

Senate Amendment (with title amendment)

Between line(s) 1631 and 1632

insert:

9 Section 26. The Legislature finds that it is in the public
 10 interest to promote alternative and renewable energy technologies
 11 in this state through the creation of a procurement of solar
 12 photovoltaic systems.

(1) As used in this section, the term:

14 (a) "Solar PV energy" means a person or entity who
 15 generates electricity from a solar photovoltaic energy source
 16 that provides electricity to a customer for the customer's own
 17 use or provides electricity to the electrical distribution system



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18 of the state without using the federally regulated interstate
19 electrical transmission system.

20 (b) "MW" means one Megawatt of photovoltaic generating
21 systems measured in direct current capacity.

22 (c) "MWh" means one megawatt-hour of production from a one
23 MW photovoltaic generating system measured in standard utility
24 quality alternating current energy.

25 (2) A solar PV energy standard is created and the Public
26 Service Commission shall implement such standard requiring retail
27 electricity utilities to acquire solar PV energy as follows:

28 (a) In 2009, 14 MW;

29 (b) In 2010, 19 MW in addition to the Solar PV Energy
30 acquired in the previous year;

31 (c) In 2011, 25 MW in addition to the Solar PV Energy
32 acquired in the previous year;

33 (d) In 2012, 34 MW in addition to the Solar PV Energy
34 acquired in the previous year;

35 (e) In 2013, 45 MW in addition to the Solar PV Energy
36 acquired in the previous year;

37 (f) In 2014, 60 MW in addition to the Solar PV Energy
38 acquired in the previous year;

39 (g) In 2015, 81 MW in addition to the Solar PV Energy
40 acquired in the previous year;

41 (h) In 2016, 110 MW in addition to the Solar PV Energy
42 acquired in the previous year;

43 (i) In 2017, 145 MW in addition to the Solar PV Energy
44 acquired in the previous year;

45 (j) In 2018, 195 MW in addition to the Solar PV Energy
46 acquired in the previous year;



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47 (k) In 2019, 260 MW in addition to the Solar PV Energy
48 acquired in the previous year;

49 (l) In 2020, 350 MW in addition to the Solar PV Energy
50 acquired in the previous year;

51 (m) In 2021, 470 MW in addition to the Solar PV Energy
52 acquired in the previous year;

53 (n) In 2022, 630 MW in addition to the Solar PV Energy
54 acquired in the previous year;

55 (o) In 2023, 843 MW in addition to the Solar PV Energy
56 acquired in the previous year; and

57 (p) In 2024, 1120 MW in addition to the Solar PV Energy
58 acquired in the previous year.

59 (3) The commission shall establish by rulemaking within 120
60 days of the passage of this legislation the method by which each
61 utility shall procure its proportion of the requirements in
62 subsection (2), including contract terms, the length of contract,
63 any exchanges of solar PV energy among and between utilities, and
64 any other rules necessary to implement the requirements in
65 subsection (2) and to promote a competitive market in solar PV
66 energy.

67 (4) The commission shall make a determination as to the
68 maximum rate, which shall be the dollar amount per MWh, a utility
69 must pay in a given year for solar PV energy. The maximum rate
70 shall be set based on a 12-year schedule of purchasing full
71 energy production from any solar PV plant by a utility. In making
72 its determination, the commission shall solicit input from solar
73 industry stakeholders as to the full cost to construct solar PV
74 projects and a reasonable return on investment required to make
75 the installations economical based on the maximum rate over the
76 12-year schedule.

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77 (5) The commission shall adopt rules to ensure that each
78 utility complies with the requirements in subsection (2). In any
79 year, the total costs may not be greater than 1 percent of the
80 annual electricity sales revenue for an electric company. If the
81 utility demonstrates to the commission that full compliance was
82 not achieved because the cost of renewable energy was too high,
83 or the supply of renewable energy was not adequate to satisfy the
84 demand for such energy, the commission shall excuse full
85 compliance.

86 (6) In 2010 and every 2 years thereafter, the commission
87 shall make a determination as to whether costs of solar PV energy
88 are declining at a rate that may be reasonably anticipated to
89 result in parity with retail electricity prices in Florida in
90 2025. Notwithstanding the provisions in subsection (5), if the
91 commission determines solar PV energy will not be cost-
92 competitive, it may relieve utilities of any obligation to
93 procure additional solar PV energy not already procured until
94 such time as there is a demonstration satisfactory to the
95 commission that solar PV energy will be cost-competitive in 2025
96 or earlier, at which time the commission shall reinstitute the
97 requirements to procure solar PV energy as set forth in
98 subsection (2). The commission shall establish by rule the method
99 by which an analysis will be conducted to determine the cost-
100 effectiveness of solar PV energy with retail electricity prices
101 in the state in 2025. In designing the method, the commission
102 shall accept and consider input and comments from manufacturers
103 and installers of solar PV energy systems as well as industry
104 experts and the public.

105 (7) The commission shall establish by rule any requirements
106 necessary to:



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107 (a) Ensure participation from each of following customer
108 segments: large commercial, small commercial, residential, low
109 income, and multifamily. The commission shall develop procedures,
110 forms, eligibility criteria, and all other requirements in a
111 manner that is clear, simple, and straightforward in order to
112 minimize the time and effort required for participation of
113 homeowners and small businesses in the renewable portfolio
114 requirements.

115 (b) Provide a contract term of not less than 15 years for
116 the purchase of solar PV energy between an owner of a solar PV
117 energy generator and a utility.

118 (c) For solar PV energy generating systems greater than 0.5
119 kW(dc) to and including 10 kW(dc) that become operational on or
120 after January 1, 2009, in addition to the schedule presented in
121 subsection (2), have a utility offer to make a one-time upfront
122 payment. The commission shall determine the payment level and set
123 the payment level to decline each year through 2024 and not to
124 exceed 20 percent of the total amount expended in any year on
125 solar PV energy.

126 (8) The commission shall impose an energy surcharge on
127 utility customer bills to provide cost recovery to utilities that
128 implement and comply with the requirements of this section. Cost
129 recovery shall be limited to actual costs incurred for the
130 purchase of MWh plus administrative costs not exceeding 10
131 percent of the total costs to purchase credits.

132 (9) The commission shall direct utilities to adopt rate
133 structures predominantly or completely based on energy
134 consumption that encourages the use of renewable generation by
135 customers.



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136 (10) Generation of solar PV energy from an on-site source
137 provided to a single customer at that site shall not be
138 considered electricity sales for the purposes of rate or other
139 commission rule other than for the purpose of complying with the
140 requirements of subsection (2). An on-site source may be located
141 on a property contiguous to the customer. Solar PV energy
142 generated on the customer's side of the utility revenue meter and
143 used to offset the customer's own electricity usage qualifies for
144 the MW requirements in subsection (2), provided the utility has
145 provided some incentive to the customer to install the Solar PV
146 Energy system.

147 Section 27. Section 196.175, Florida Statutes, is amended
148 to read:

149 196.175 Renewable energy source exemption.--

150 (1) Improved real property upon which a device that
151 collects, transmits, stores, or uses a solar PV energy renewable
152 energy source ~~renewable energy source device~~ is installed and
153 operated shall be entitled to an exemption in the amount of ~~not~~
154 ~~greater than the lesser of:~~

155 ~~(a) The assessed value of such real property less any other~~
156 ~~exemptions applicable under this chapter;~~

157 ~~(b) the original cost of the device, including the~~
158 ~~installation cost thereof, but excluding the cost of replacing~~
159 ~~previously existing property removed or improved in the course of~~
160 ~~such installation;~~ ~~or~~

161 ~~(c) Eight percent of the assessed value of such property~~
162 ~~immediately following installation.~~

163 (2) The exempt amount authorized under subsection (1) shall
164 apply in full if the device was installed and operative
165 throughout the 12-month period preceding January 1 of the year of



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166 application for this exemption. If the device was operative for a
167 portion of that period, the exempt amount authorized under this
168 section shall be reduced proportionally.

169 (3) It shall be the responsibility of the applicant for an
170 exemption pursuant to this section to demonstrate affirmatively
171 to the satisfaction of the property appraiser that he or she
172 meets the requirements for exemption under this section and that
173 the original cost ~~pursuant to paragraph (1)(b)~~ and the period for
174 which the device was operative, as indicated on the exemption
175 application, are correct.

176 (4) No exemption authorized pursuant to this section shall
177 be granted ~~for a period of more than 10 years. No exemption shall~~
178 ~~be granted~~ with respect to renewable energy source devices
179 installed before July 1, 2008 ~~January 1, 1980, or after December~~
180 ~~31, 1990.~~

181 Section 28. Paragraph (b) of subsection (1) and subsection
182 (2) of section 220.192, Florida Statutes, are amended to read:

183 220.192 Renewable energy technologies investment tax
184 credit.--

185 (1) DEFINITIONS.--For purposes of this section, the term:

186 (b) "Eligible costs" means:

187 1. Seventy-five percent of all capital costs, operation and
188 maintenance costs, and research and development costs incurred
189 between July 1, 2006, and June 30, 2010, up to a limit of \$3
190 million per state fiscal year for all taxpayers, in connection
191 with an investment in hydrogen-powered vehicles and hydrogen
192 vehicle fueling stations in the state, including, but not limited
193 to, the costs of constructing, installing, and equipping such
194 technologies in the state.

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195 2. Seventy-five percent of all capital costs, operation and
196 maintenance costs, and research and development costs incurred
197 between July 1, 2006, and June 30, 2010, up to a limit of \$1.5
198 million per state fiscal year for all taxpayers, and limited to a
199 maximum of \$12,000 per fuel cell, in connection with an
200 investment in commercial stationary hydrogen fuel cells in the
201 state, including, but not limited to, the costs of constructing,
202 installing, and equipping such technologies in the state.

203 3. Seventy-five percent of all capital costs, operation and
204 maintenance costs, and research and development costs incurred
205 between July 1, 2006, and June 30, 2010, up to a limit of \$6.5
206 million per state fiscal year for all taxpayers, in connection
207 with an investment in the production, storage, and distribution
208 of biodiesel (B10-B100) and ethanol (E10-E100) in the state,
209 including the costs of constructing, installing, and equipping
210 such technologies in the state. Gasoline fueling station pump
211 retrofits for ethanol (E10-E100) distribution qualify as an
212 eligible cost under this subparagraph.

213 4. Ten percent of all costs, not to exceed \$750,000 per
214 installation, associated with the installation of a device that
215 collects, transmits, stores, or uses energy from a solar PV
216 energy renewable energy source.

217 (2) TAX CREDIT.--For tax years beginning on or after
218 January 1, 2007, a credit against the tax imposed by this chapter
219 shall be granted in an amount equal to the eligible costs.
220 Credits may be used in tax years beginning January 1, 2007, and
221 ending December 31, 2010, after which the credit shall expire. If
222 the credit is not fully used in any one tax year because of
223 insufficient tax liability on the part of the corporation, the
224 unused amount may be carried forward and used in tax years



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225 beginning January 1, 2007, and ending December 31, 2012, after
 226 which the credit carryover expires and may not be used. In the
 227 case of the credit for costs under subparagraph (1)4., credits
 228 may be used in tax years beginning January 1, 2008, without
 229 expiration, and any unused credit amounts may be carried forward
 230 and used in tax years beginning January 1, 2008, and without
 231 expiration. A taxpayer that files a consolidated return in this
 232 state as a member of an affiliated group under s. 220.131(1) may
 233 be allowed the credit on a consolidated return basis up to the
 234 amount of tax imposed upon the consolidated group. Any eligible
 235 cost for which a credit is claimed and which is deducted or
 236 otherwise reduces federal taxable income shall be added back in
 237 computing adjusted federal income under s. 220.13.

238
 239 ===== T I T L E A M E N D M E N T =====

240 And the title is amended as follows:

241 On line(s) 2318, after the first semicolon,
 242 insert:

243
 244 providing legislative intent relating to solar
 245 photovoltaic systems; providing definitions; requiring the
 246 Public Service Commission to implement a Solar PV Energy
 247 standard that requires utilities to acquire certain MWs
 248 per year for certain years; requiring the commission to
 249 develop and adopt rules within a certain period; requiring
 250 the commission to determine the costs of solar PV energy
 251 on a periodic basis; authorizing the commission to impose
 252 a surcharge on utility customer bills to provide cost
 253 recovery; requiring the commission to adopt rules
 254 providing for the interconnection of customer-owned

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255 | generation; authorizing the commission to direct utilities
256 | to adopt rate structures based on energy consumption;
257 | limiting the commission's regulation of onsite renewable
258 | resources; amending ss. 196.175 and 220.192, F.S.;
259 | conforming provisions to changes made by the act;